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Classified By: Charge d'Affairs Luis Arreaga.
Reasons: 1.4 (b) and (d)

Summary

- 11. (C) The latest edition of the Panama Post reports on a relatively slow week in Panamanian politics, though with some important movement on efforts to block a terrorist from becoming National Assembly President. Highlights include:
- -- President Torrijos gets message on Pedro Miguel Gonzalez, will "take care of it;"
- -- "oriega: A Closed Case?" panel focuses on cases in Panama, not on extradition to France;
- -- Update on to and fro of Presidential Candidates; and -- Celebrations on September 3 to commemorate the thirtieth anniversary of the signing of the Panama Canal treaties and to launch canal expansion project.

End Summary.

"Taking Care" of a Terrorist

12. (C) "I passed your message concerning (candidate for President of the National Assembly) Pedro Miguel Gonzalez to President Torrijos, and he will take care of it," First VP and FM Samuel Lewis told Charge on August 6. Charge had earlier shared with Lewis USG concerns regarding the prospects that Gonzalez, wanted in the U.S. for the 1991

murder of U.S. serviceman Zak Hernandez and ineligible for a U.S. visa on terrorism grounds, would become the next legislative leader. Comment: Post will remain engaged to ensure follow-through on this commitment.

13. (C) Presidential Palace insider Lionel Solis told the Panama Post on August 8 that Torrijos had not yet spoke with Gonzalez about the National Assembly Presidency. Solis asserted to the Panama Post, "On my own initiative, I told Pedro Miguel that he should keep in mind his problems with the U.S. government and he should not try to corner the President on this matter. I later heard that Pedro Miguel was telling others that he 'would' become President of the National Assembly were it not for the gringos. Pedro Miguel does not want to look like a loser, but rather a victim."

14. (SBU) The August 8 "Noriega: A Closed Case?" Forum in Panama City focused primarily on Panamanian cases pending against the former dictator, not on the current deliberations in the U.S. regarding his extradition. This forum, billed widely in the media, served as an opportunity to examine Panama's own recent history under Noriega. La Prensa's Washington-based correspondent Betty Brennan's review of Noriega's extradition deliberations in the U.S. were overshadowed by Robert Brenes' discussion of the Civil Crusade (Crusada Civilista), the civil society group that galvanized broad opposition to Noriega and the military. Indeed, leaders of the Civil Crusade were out in force, including Guillermo "Billy" Ford, Ruben "Chinchorro" Carles, Aurelio Barria, and Roberto "Bobby" Eisenmann. Attorney General Ana Matilde Gomez grabbed La Prensa's headlines the following day with her statements that there were still several extradition requests pending against Noriega, including for the decapitation of Hugo Spadafora and the "Albrook Massacre" of Panamanian Defense Force (PDF) officers who attempted to overthrow Noriega. Comment: While there is a nationalist in nearly every Panamanian that would like to see Noriega face Panamanian justice as soon as possible, each Panamanian also has a pragmatic stripe that, worried that Panamanian justice would falter or fail, would rather see Noriega be extradited to France where he would definitely remain in prison. Even former Civil Crusade leader and founder of La Prensa Roberto "Bobby" Eisenmann acknowledged in a recent opinion piece that it would be best for Noriega to go to France. Fellow Civil Crusade leader Aurelio Barria continues to press the GOP to more actively work for Noriega's extradition to Panama, but even he is resigned to Noriega's extradition to France and his arguments get little traction.

Update on to and fro of Presidential Candidates

- 15. (C) The Panama Post observed little forward motion among presidential candidates: Torrijos stood by Samuel Lewis, Alberto Vallarino appeared to have decided to join the Panamenistas, Mireya Moscoso continued her scheming, Jose Miguel Aleman advocated for Endara, and Endara and Martinelli continued to oppose participating in an interparty primary. Here are the highlights:
- -- First VP and FM Samuel Lewis banned from discussing politics while on the clock: The Electoral Tribunal (TE) ruled recently that Article 30 of the Electoral code prohibited Lewis from discussing politics during work hours. In making its ruling, the TE determined that Lewis' status as FM prevailed over his elected position as First VP so that therefore Article 30 of the Electoral Code, which forbids discussing politics during work hours, applied to Lewis. Asked by the press for his reaction to this ruling that only became public on August 6, Lewis glanced at his watch and demurred, "We are still on the clock."
- -- Torrjos stands by Lewis: Presidential Palace insider Lionel Solis told the Panama Post on August 8 that Torrijos "insisted" on supporting Lewis for the governing Democratic Revolutionary Party (PRD) presidential nomination though Torrijos understood that Lewis was "not too popular in the party." Solis said Torrijos would nonetheless include Panama City Mayor Juan Carlos Navarro in his activities to ensure that he gets sufficient exposure. According to Solis, while Minister of Housing Balbina Herrera was still riding high, "Torrijos resents her close political relationship with Hector Aleman," a long-time PRD enforcer, currently a National Assembly Deputy, and former Minister of Government and Justice.
- -- Alberto Vallarino to join with Panamenista Party:

Expelled from the Panamenista party in 2004 for having accepted the presidential nomination of the now extinct Christian Democrats, Alberto Vallarino is expected to re-join the Panamenista Party on August 15, Jose Miguel Aleman confirmed for POLCOUNS on August 9. Seen as a coup for former President Mireya Moscoso, Vallarino's return to the fold was characterized as a move "to facilitate an opposition party alliance" by Moscoso aide Eduardo Quiros. Comment: Vallarino is a notoriously cautious and calculating politician. It remains to be seen whether he will indeed seek the party's presidential nomination.

- -- Alberto Vallarino and former President Guillermo Endara accompany former President Mireya Moscoso to former President Arnulfo Arias' grave: Flexing her political muscle, Moscoso asked Vallarino and Endara to join on August 10 at the grave of her husband and Panamenista party founder Arnuflo Arias. Vallarino and Endara are expected to be the keynote speakers at this commemoration organized by the Arnulfo Arias Madrid Foundation, headed by Moscoso. As other Panamenista leaders urge party president Juan Carlos Varela to reconcile himself with Moscoso, there has been much speculation as to whether Varela will even attend this commemoration. According to press reports, Varela will attend with his own posse in tow.
- -- "Interparty primary to select Martinelli's running mate:"
 Democratic Change operatives are putting out the word, echoed
 in political rumor columns, that the interparty primary would
 be an excellent way to choose Martinelli's vice presidential
 running mate. For his part, Varela failed to convince
 Martinelli of the merits of an interparty primary during
 their August 8 breakfast.
- -- Jose Miguel Aleman: Strong Endara Supporter: In his August 9 conversation with POLCOUNS, Panamanenista Party member, former FM, and former Panamenista presidential candidate Jose Miguel Aleman: (a) pointedly did not/not reject the idea that he sought to be Endara's vice presidential running mate, (b) confirmed that Endara had offered the position to him, and (c) said that Endara had to win Panamenista support by participating in an interparty opposition primary. Clearly surprised by POLCOUNS's inquiry, Aleman reiterated that he and Endara had been in discussions since they both lost to Torrijos in 2004. "We need to unify behind Endara if the opposition is to have a shot at defeating the PRD," Aleman said. While Martinelli would definitely run, the rest of the opposition had to unify. it is more than a three-way race, the opposition will definitely lose." Aside from Martinelli, Aleman said that only Endara and Alberto Vallarino had the wherewithal to win. "Moscoso is currently backing Vallarino," Aleman asserted. Endara, Aleman confirmed, remains steadfast in his opposition to participating in an interparty primary. Comment: Vallarino's enrollment in the Panamenista Party will likely constrain Aleman's own prospects as Vallarino consumes more Panamenista political oxygen thereby reinforcing Aleman's proclivity to advocate strongly on Endara's behalf.

30th Anniversary of Panama Canal Treaties Signing

16. (C) "To avoid 'conflicts,' Panama would only be inviting the Presidents of Costa Rica and Colombia -- our bordering neighbors -- to the festivities to commemorate the thirty anniversary of the signing of the Panama Canal treaties, Presidential Palace insider Lionel Solis told the Panama Post on August 8. Solis, who will be the GOP coordinator for this September 3 celebration, said that President Arias and President Uribe had confirmed their attendance. The main event would be held at the canal's Pedro Miguel Locks to which the 50,000 PRD members would be invited. "We have to make a big deal out of this event as on January 31, 1999 we did not have the chance to receive the canal, rather Moscoso did." Former President Carter would join Torrijos in ceremonially detonating charges that would set off a "symbolic explosion" in the small hills across the canal from the ceremony to begin the excavation for the canal expansion

project. To encourage "celebration of this sovereign act," the GOP would close for the day on September 3 as well as "encourage" the private sector to do the same and close public schools too.

Arreaga